

From: Members First Credit Union of Florida, Douglas T. Zepp
Subject: Reg Z - Truth in Lending

Comments:

To Whom It May Concern,

The recent passage of the Credit Card Accountability, Responsibility and Disclosure Act of 2009, is forcing credit unions to make monumental changes in our monthly operations to comply with the 21 day rule in the area of "open end" loans. The majority of these open ended loans are serviced on software programs that are not easily re-programmed to accommodate disclosing the next payment date 21 days in advance. To re-program or to print additional monthly statements is an added financial burden during a time when most institutions are struggling with write off's, delinquency and lower interest income. Currently, Reg Z. requires that we initially disclose the loan payment due date, any grace period and the amount of any late fee which may be imposed if a loan payment is not made before the end of the grace period on an open ended loan. In addition, we currently mail monthly combined account statements, "reminder" notices to borrowers that miss the payment due date and in some cases provide payment coupons that indicate the payment due date and when the payment will be late. To add one more notice to this process seems to be redundant at least and certainly expensive. Ultimately, the consumer pays for the added expense of these notices via higher cost services, fees, etc.. To avoid increasing the expense to consumers I would recommend that the act be amended to eliminate "open end loans" altogether (as they are not credit cards and do not operate like credit cards) or allow institutions to disclose the due date on monthly account statements one month prior to the next due date to avoid additional expenses.

Thank you for your time and consideration.

Douglas T. Zepp
Members First CU of Florida